1	UNITED STATES DISTRICT COURT WESTERN DISTRICT OF TEXAS	
2	AUSTIN DIVISION	
3	WICKFIRE, LLC) Docket No. A 14-CA-034 SS
4	VS.) Austin, Texas
5	TRIMAX MEDIA, INC., ET AL) June 10, 2015
6	MD A NCCD T DE	D OF MORION HEADING
7	TRANSCRIPT OF MOTION HEARING BEFORE THE HONORABLE SAM SPARKS	
8	APPEARANCES:	
9	For the Plaintiff: (Telephonically)	Mr. Bradley D. Coburn
10		Denko, Coburn & Lauff 3811 Bee Cave Road, Suite 204
11		Austin, Texas 78746
12	(Telephonically)	Ms. Katharine M. Atlas Atlas Law, PLLC
13		2525 Robinhood Street Houston, Texas 77005
14	(Telephonically)	Mr. Brian C. Nash
15		Pillsbury, Winthrop, Shaw, Pittman 111 Congress Avenue, Suite 400
16		Austin, Texas 78701
17	For the Defendant: (Telephonically)	Ms. Sara A. Brown
18		Mr. Peter S. Vogel Gardere, Wynne & Sewell
19		1601 Elm Street, Suite 3000 Dallas, Texas 785201
20	Court Reporter:	Ms. Lily Iva Reznik, CRR, RMR
21		501 West 5th Street, Suite 4153 Austin, Texas 78701
22		(512) 391-8792
23		
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25	Proceedings reported by comp produced by computer.	outerized stenography, transcript

THE COURT: All right. This is 14-CA-34, WickFire, 09:31:23 1 LLC, et al, and I have the plaintiff, multiple defendants, 09:31:28 third-party defendants, third-party complaints, 12 lawyers, only 09:31:36 09:31:42 4 two smart that want out. 09:31:46 5 So let's make your announcements. MR. COBURN: Your Honor, Bradley Coburn on behalf of 09:31:53 6 Plaintiff WickFire. 09:31:55 7 MS. ATLAS: Katharine Atlas on behalf of Plaintiff 09:31:56 8 09:31:59 9 WickFire. 10 MR. NASH: Hi, your Honor. This is Brian Nash on 09:32:00 behalf of WickFire. 11 09:32:02 09:32:05 12 MR. VOGEL: Your Honor, Peter Vogel on behalf of the 09:32:09 13 Defendants TriMax and the other new defendants. 14 MS. BROWN: And Sara Brown on behalf of TriMax and the 09:32:14 09:32:16 15 TriMax-related parties, for Woodruff, Josh West and WREI. 09:32:26 16 THE COURT: Okay. I have pending WickFire's motion to 17 dismiss the amended counterclaims and third-party claims. 09:32:29 The 18 third-party defendant's motion to dismiss TriMax parties' amended 09:32:34 19 third-party claim, the defendant's motion to extend scheduling 09:32:38 20 order deadlines, the defendant's motion to expedite the motion to 09:32:42 21 amend scheduling order deadlines, and TriMax's motion to withdraw 09:32:48 22 as counsel Bhella and Price. 09:32:53 23 So as I picked up the three volumes of pleadings in 09:33:00

meaningless because it took 13 months to get issued in this case,

this case, I looked first at the scheduling order, which was

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which should have indicated to me that there's something wrong
here with the parties and/or counsel. I've already entered a
blistering order in this case about the history of this case,
and, yet, there's no improvement. And this case presently is set
on my docket for trial on, specifically, the month of, I think,
separately is set
September, but let's find out for sure.

LAW CLERK: October.

MS. BROWN: Your Honor, I -- this is Sara Brown.

I don't know if anyone else is having the same trouble hearing you as what I am. But I have a hard time understanding you.

THE COURT: All right. Well, it's set for October. I have a large docket, as I've tried to tell you. I have extremely complex patent cases, and the patent lawyers now since 1991 know that instead of a three-week trial or a four-week trial, they have to try the case in six days, Monday through Thursday, Monday, Tuesday with the case going to the jury on Thursday. And no civil case, no civil case, I emphasize it, no civil case, including antitrust, security cases, products liability, you name it, gets more than nine hours a side. That means four full days of trial. That's all.

I don't know what the heck y'all are doing when you're not going to get even nine hours of trial. This case doesn't deserve nine hours of trial. I've got complex criminal case set for October. I don't know if I will get anybody to assist me.

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This docket, according to the national Federal Circuit in

Washington, was supposed to have five judges, we still have two.

I don't think the Congress is going to give me any assistance to

take some of these cases, although Judge Pitman is trying to help

on the civil docket out of San Antonio.

So I made it clear since 1991, when I took this case — this docket and saw how it was, so that you know, for the first three years, all motions were heard on Saturdays because we had so many cases. And the cases had backed up forever. It took us about five-and-a-half years to get a docket to where we could try cases within a twelve-month period. And that went out some time ago because every year, we've got more and more and more cases.

So when I get a case, I expect the lawyers not only to be competent but to work together for the opportunity of trying the case, and that did not occur in this case, notwithstanding my oral words and notwithstanding my written words, which are part of the record.

And now we come to beginning. I've got WickFire's motion to dismiss. I've got the third-party's motion to dismiss. All having to do with pleadings that should have been completed in this case -- I don't know. I don't know how to judge it because I couldn't even get any answer in this case for 13 months. The case was filed in January of '14, and it took forever with motions -- I've already entered an order in there how many motions for extensions that they have.

And that's a problem with the docket. We have so many cases that motions for extensions are automatically granted on the basis that they're genuine and there's a reason for it.

Otherwise, you wouldn't have had a year from January to January before you had a complaint. I don't remember if it's the third amended complaint or the fourth amended complaint. And finally, I just decided I'm going to join issue and see what this case is about. And we're still in the pleadings stage.

So I've gotten pounds of paper in this file. There's no way in the world you're going to be ready to try this case in October. I'm set through April of 2017, as we sit here. So I thought we'd have a little powwow and see what can be done.

I've chastised the lawyers for their nonprofessional comments in pleadings. I don't know what else to do except what I've done on several occasions. I don't know what the cloud is, but occasionally, I will put a case in the cloud -- because I'm not going to worry about it anymore -- and it can stay there forever. And this looks like it is perfect for that disposition.

Now, I have a counterclaim that is alleging RICO.

Other than criminal indictments alleging RICO, every RICO claim made since '91 in this court and in my partners' court, Judge Nowlin, and then, Judge Yeakel, have ended in one way, and that is sanctions against the pleader. And I'm going to enter today a little questionnaire that will take somebody three or four days just to answer the questionnaire with regard to RICO, which I

will then make the basis of knocking it out at a pleading stage
or putting an order in that if it doesn't turn out, the other
side will get attorney's fees.

So that's my message. So let's -- in comments like that, Mr. Coburn, you have the honor of going first and tell me what is wrong with this case, how you can't get it to trial in one year and eight months.

MR. COBURN: Your Honor, thank you. This is Bradley Coburn.

We have served our opening expert reports. We've taken the major party deposition in the last week. We have almost, I think, more than seven depositions already on the schedule to finish up the discovery period. We are -- be ready to move into trial preparation later this summer.

So speaking on behalf of WickFire, we are absolutely ready. This has always for us been a fairly narrow case. Only recently, after we added the new defendants following the fight over the motion to quash with Google was -- has RICO and Sherman antitrust claims, which we consider to be baseless, and, as well, we filed the motion to dismiss.

Only with that wrinkle has this case gotten more complicated. But that's not at WickFire's doing; and WickFire doesn't believe that it's appropriate for those claims to have been asserted.

THE COURT: Well, WickFire made the new parties and has
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objections to their amended counterclaim. You had objections
first and now a motion to dismiss the third-party claims. That
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doesn't sound like you're ready. Okay.

Mr. Golden -- or, excuse me, Mr. Vogel, I guess.

MR. VOGEL: Your Honor, this is Peter Vogel on behalf of TriMax --

THE COURT: Okay, Mr. Vogel.

MR. VOGEL: -- Josh West and WREI.

I guess the point to start with is the fact that you identified Mr. Golden and asked for him to comment first.

Unfortunately, as we've pointed out in our motion to continue,

Mr. Golden had to leave our firm for a family emergency and is out for at least the next 90 days. He was lead counsel on this case. I was involved in the case until January, and trying to get back up-to-speed at this point is obviously a serious problem.

But to respond to what Mr. Coburn said about being ready, I don't think that's very factually correct. One deposition has been taken on each side so far. There are 17 depositions that are scheduled for this month. As a matter of fact, WickFire issued last week -- I'm sorry, in this -- during this week, new subpoenas to third parties to get evidence. I don't think we're ready.

We asked for 90 days. We're not asking for two years

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to extend it beyond a reasonable length of time. We just think
that in order to be ready to try the case and to complete all the
evidence and all the -- so that we can have the, you know, the
case presented properly to the Court.

They -- as you point out, Judge, WickFire amended this complaint. They brought in three new defendants. They didn't file their third amended complaint until February. And as you pointed out, there are motions to dismiss that are pending.

So we don't think that this is going to be ready for trial. And we think it is in the best interest of your time and of the management of your docket that we get an additional 90 days, and we push this off from the October setting that we currently have. I mean, as I point out, we've only had one deposition of each party taken so far. And it's hard for me to imagine we could possibly have a trial in October if only two witnesses have been deposed out of 17.

We are still getting evidence in support of expert -the expert reports were due on June 1st. We have not still
gotten all the evidence in support of the arguments that were
made. So we are trying to do that in order to even have the
rebuttal reports that we intend to issue on the 16th. So I do
not think that either party is going to be ready, your Honor.

And I think it's important to take into account that we are not trying to delay this, but there are circumstances with this number of parties and the amount of discovery that is yet to

be concluded. And I think it's unrealistic.

THE COURT: Well, you really have two parties. You've got 12 lawyers. But you just have two parties, and that's WickFire and its principals and TriMax and WREI. It shouldn't be a complex case and why 12 lawyers can't produce more than two depositions in a year and six months defies imagination. I mean, this case isn't ready.

MR. VOGEL: Your Honor --

THE COURT: Y'all have taken -- you've just taken too much -- your clients dislike each other. And the lawyers, with the exception of Mr. Vogel -- you haven't been involved, but I'm sure when you picked up the file, you saw the lawyers have been following suit, just making catty remarks against each other and filing page after page after page out of pleadings that really don't have anything to do with it. My staff doesn't have time to read it and I don't, either.

That's the reason I've come down on this case. But I don't know what to do with you. This case isn't going to go to trial in October. I know it, you know it and -- but I don't know what to do with it because I could put it off two years. I have cases set, as I've said, already into 2017. So it doesn't hurt me to put it off two years. As a matter of fact, it's a good year: I'm going to be 76 years old. That means somebody else will have to determine what in the hell to do with this case.

But by that time, you may be through. You may have

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completed the motions to dismiss on all of the pleadings. 09:46:20 I judge the history as to what happened, you're only going to 09:46:28 have two more depositions. So I don't know what to -- I don't 09:46:31 09:46:34 4 know what to tell you. And this is not an easy case. MR. COBURN: Your Honor, this is Bradley Coburn. 09:46:37 5 THE COURT: Yeah. 09:46:39 6 7 09:46:39 MR. COBURN: Mr. Vogel may be speaking for his side. But wickFire is prepared. We do not think this is a complicated 09:46:42 8 09:46:45 9 case. It's been made artificially complicated by some of the 10 claims that have been asserted on the other side. But it's not 09:46:48 unusual at all to have a very busy last month of discovery 11 09:46:51 09:46:54 12 period, and that's what we've been counting on and relying on. 09:46:57 1.3 And just yesterday, we got a notification from another 14 vendor about one of these fake advertisements that's been hurting 09:47:00 09:47:03 15 our business and we just -- we want to get this resolved, and 09:47:06 16 we're prepared to get this resolved in October. And that's as 17 forthright as I can be about that. 09:47:10 09:47:11 18 You know, we've countered on the Court's statements 19 over and over again that we need to be ready by October 2015, and 09:47:14 20 we've prepared accordingly. And that's where WickFire's --09:47:17 09:47:21 21 THE COURT: And when --09:47:24 22 MR. COBURN: I'm sorry, sir. 23 When did you bring in Woodruff and West? 09:47:25 THE COURT: MR. COBURN: Well, we wanted to do it about a year ago, 09:47:28 2.4

but based on the motion to quash, which delayed our finding out

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that -- giving us a Rule 11 basis for adding these defendants, you know, that delayed everything until fall of last year. And then, there was a fight obviously over the sufficiency of the pleadings, but it's no surprise. I mean, none of those issues from our side are new.

And there's complete symmetry between the issues that affect TriMax as an entity and the additional defendants that have come in because their liability is just based on the fact that they're principals for those entities. So it doesn't change the fact scenario. It doesn't change the legal arguments. And it's not any kind of surprise.

The only change here has been the assertion of antitrust and RICO claims, and that's from the other side.

MR. VOGEL: Your Honor, this is Peter Vogel. I'd like to respond.

I don't think that Mr. Coburn is being -- is sharing this in the right light, and that is, there has been 43-some-odd subpoenas issued to third parties. And I know, Judge, that generally when you have trials, the subpoenas are -- there aren't that many subpoenas sent to third parties, and that makes this much more complicated to start with.

And then, second, the parties, as you've already identified, the parties have been jockeying with one another with regards to whether the third parties have produced all the documents and -- there have been motions filed in your court to

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1 compel. Actually, we have a motion to compel in Washington state 58 2 for third-party subpoena right now. It's ripe and we're waiting 02 3 to hear on that.

So I think that this is an unusual case in terms of the discovery. I don't think the trial will be that unusual. But if all the evidence was in the possession of the parties, that would be one thing. It's not. It's in possession of more than 33 different third parties. But I think that that is -- elongated this.

THE COURT: What are the --

MR. COBURN: Your Honor, with the exception of four subpoenas, with the exception of four of those subpoenas, you know, the rest of them are all from the other side.

And the same thing with discovery requests that have only, you know, recently been served on our side and that's -- you know, that puts us in a strange spot of because of the delay in making those discovery requests, our October 2015 trial setting is jeopardized as the harm is ongoing, which we recently learned -- I mean, we learned of yesterday, which is a surprise to us. We thought this had subsided and it hasn't.

MS. BROWN: Bradley, a couple of things. This is Sara speaking. I'm the -- on TriMax's side.

I'm most familiar with the evidence. And I think that you're under-representing the number of subpoenas -- third-party subpoenas that you've issued. I can think of ten just off the

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top of my head. And so --

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MR. COBURN: Which we've already got responses to. They're not outstanding. We've got responses to them.

MR. VOGEL: But, Judge, this is Peter Vogel.

I think that what seems to be completely disingenuous about what Mr. Coburn is saying is, if they were so ready, they would have taken all eight or 10 of their depositions before today. They've taken one deposition last Friday. It was the first one they've taken in the entire case. If they were so ready, they would have done all the depositions already and they're not -- we're not ready for it.

MR. COBURN: Your Honor, the other side just produced 50,000 documents two days ago. We've been waiting for documents to take these depositions. The holdup has not been our willingness to take them. It's been getting the documents from the other side. And the only reason I think we got them finally is because the discovery period that's finally winding down.

The deadlines are doing what they're intended to do, which is to focus the parties in March towards a resolution. And WickFire's concern that if we push things off another two years -- I mean, the request for three months, as the Court has said, is, in effect, a request to push things to 2017; and if we do that, you know, then we're back where we are in this fuzzy area where there's no real pressure to comply with deadlines.

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9:51:25 1 So that's WickFire's perspective.

THE COURT: That's the worst statement I think I've heard in 52 years of practicing law when you say there's no reason to comply with fuzzy guidelines when it's an order from a United States District Judge. Maybe I've heard --

MR. COBURN: I agree, your Honor. I'm not saying that I don't believe that there is, but it seems to have focused the information that we've gotten from the other side. I apologize. I don't mean to imply in any way that there's no duty to respond. It's just, as a practical matter, it seems like we've gotten a lot more information as these deadlines have come close.

THE COURT: You know, your first trial date was last year.

Now, did it ever occur to you, either side, to sit down and professionally work out the scheduling order so that you wouldn't be here and the pleadings? You know, the cases that are set between now and the next time that I can make a setting, that's what the lawyers do. They know what the Austin docket is. They sit there and they work hard. Maybe it took them one case to learn. I don't have any discovery motions. It's less than five percent on the Austin docket. It was 60-something percent when I came here in '91 and that's -- I didn't take this job for discovery.

Discovery issues are the mark of incompetent lawyers, with the exception of privilege and when they can't get along

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with an agreement to give me a in-chambers view and I can crank it out pretty quick. Y'all are still just arguing and blaming each other. You haven't made any progress at all that I could see. But let's briefly -- I've got a bunch of lawyers sitting here listening to all of this, and their cases are coming up.

So, let's see, on the amended counterclaims and third-party claims, what is it that you don't understand they're suing you for? I can read it and I know what they're suing you for.

MS. ATLAS: Judge, this is Katharine Atlas on behalf of WickFire.

On the amended counterclaims and third-party claims, we think that they have come nowhere close to alleging viable pleadings under RICO and the antitrust laws. WickFire is a small, Austin-based business, and has now been accused of both criminal conduct under the wire fraud statute as a predicate act under RICO and an antitrust violation.

And, Judge, their counterclaims and third-party claims are certainly voluminous, but they are lacking on almost every substantive ground and, also, are lacking for basic Article III standing. They're asserted by parties that are not TriMax; and that is because they have been asserted extremely late in the game, more than approximately a year and a half into this litigation.

And the harm that they're complaining about is harm

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that was done to the business, not to the business's owner individually. The business's owner's nephew and to a separate corporate entity.

THE COURT: Well, they're in the case because at the last minute, after at least three, maybe four amended complaints, you sued those two people, Woodruff and West. So they, under the Old Testament law, sued your principals back. That's why they're in the case. I don't know they're in the case or not. I expect it's the principals. I expect both of them are corporations in their representative capacity. I don't have any idea.

But that's something that the two of you could have discussed and decided over a cup of coffee or a cup of hot tea, without giving me five pounds of paper. I'm entering a questionnaire today, and I've given the warning today that anybody that makes the allegations under RICO in a civil case better be good because I will make them pay every cent of the attorney's fees of the opponent when they can't prove it up. And I've not had one prove it up in the 24 years I've been here, and neither has Judge Nowlin or Judge Yeakel.

I'm sure that there are some civil RICO cases. I've tried multiple RICO cases in the criminal section, but very rarely does -- and I've seen it alleged, but by the time we get to trial, it's been eliminated one way or the other. So, you know, that's where we are.

Right now, I've got the third-party defendant's motion

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to dismiss TriMax's amended. That's the same thing you're 1 09:56:44 talking about. So you've got WickFire's motion and third party 09:56:50 They're identical, are they not, Ms. Atlas? 09:56:53 MS. ATLAS: Judge, they are -- they do overlap quite a 09:56:59 4 bit on substantive grounds. However, it is worth noting that on 09:57:01 behalf of our principals, there was a scheduling order deadline 09:57:05 that the new defendants did not comply with. They were required 09:57:08 7 to show good cause in order to add new parties this late in the 09:57:13 8 09:57:18 9 When WickFire wanted to add three new parties, based on 10 the results of a Google subpoena, we did seek leave from the 09:57:21 Court and were, in fact, granted leave. The new defendants did 09:57:23 11 not bother to ask the Court for permission before doing --09:57:27 12 09:57:30 13 THE COURT: Okay. All right. Enough. I can't take 09:57:33 14 anymore crap. Y'all get a weekend. Get a couple of pistols and go out and shoot each other. Turn off the thing. 09:57:42 15 I'm through. 16 (End of proceedings.) 17 18 19 20 21 2.2 23 24 25

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                                      United States District Court
19
                                      Austin Division
                                      501 W. 5th Street, Suite 4153
20
                                      Austin, Texas 78701
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